



# A2X T+3 Settlement Cycle

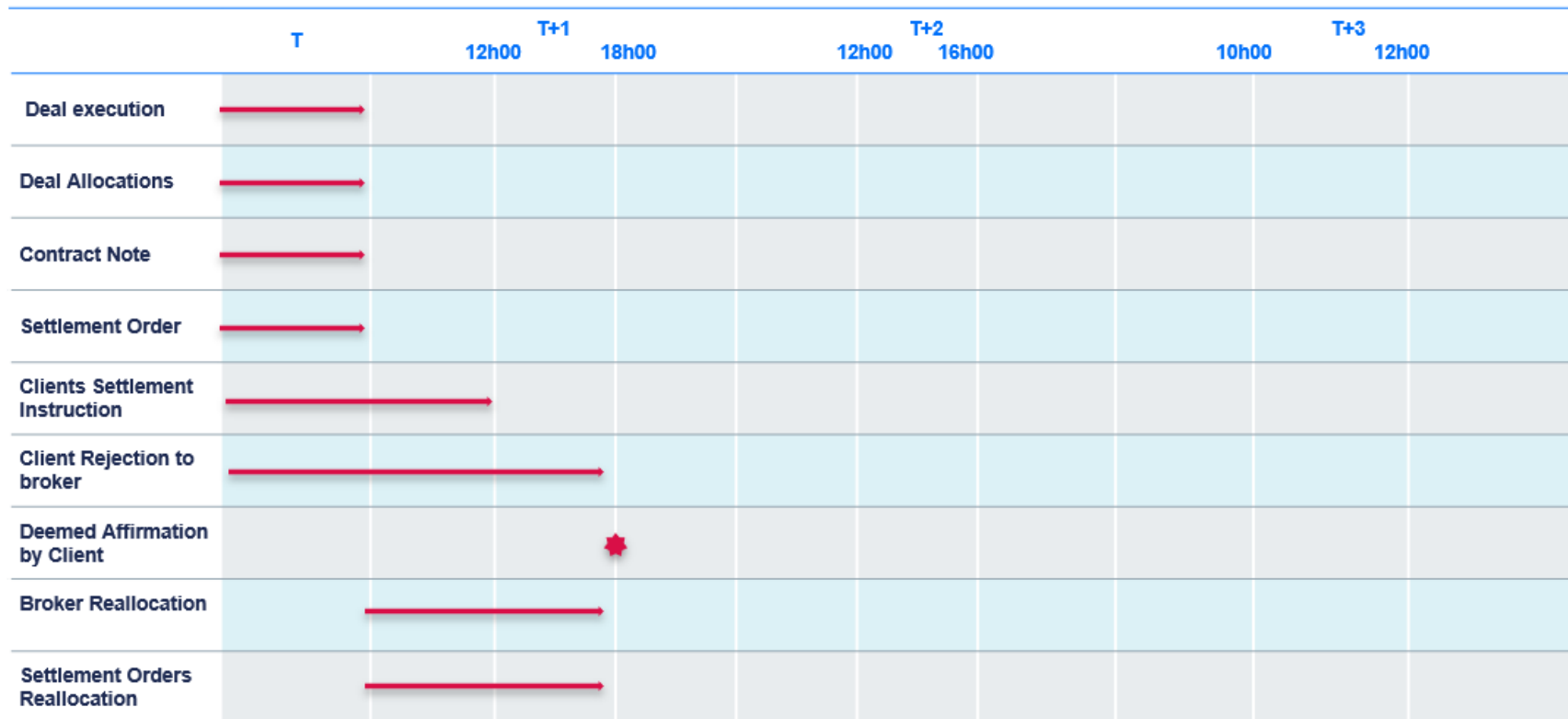
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➤ **A2X MARKETS**

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## Trading, Clearing and Settlement Timelines





	T	12h00	T+1 18h00		12h00	T+2 16h00		10h00	T+3 12h00
CER Calc									
CER Call									
Clients settlement instruction									
Proprietary Nets generated									
CSDP commits to Settlement Orders									
Non-controlled Client breach									
Principal Assumption									
Broker SLB									
CSDP commit to Principal Assumption									



	T	12h00	T+1 18h00		12h00	T+2 16h00		10h00	T+3 12h00	
<b>Settlement Committee SLB</b>								→		
<b>Failed Trade Procedures</b>									→	
<b>Settlement</b>								→		



<b>Action</b>	<b>Action Description</b>	<b>Completed by</b>	<b>Timing</b>
<b>Deal Execution</b>	Trades received by members and executed on the trading system	Clients / A2X members	<b>Real-time</b>
<b>Deal Allocation</b>	After trades have been executed – members allocate to clients account	A2X members	<b>Real-time</b>
<b>Contract Note</b>	Contract note (trade confirmation) is sent to the client after the allocation has been completed	A2X members	<b>T (Real-time after allocations)</b>
<b>Settlement Orders – non-controlled clients</b>	After the allocation to the clients account generation of settlement instructions (settlement orders) to Strate who in turn generate allegements to the clients CSDPs	A2X members	<b>T (Real-time after allocations)</b>
<b>Capital Exposure Requirement calculation</b>	Capital Exposure Requirement calculation of members exposures	A2X members	<b>T (EOD)</b>
<b>Capital Exposure Requirement call/refund</b>	Call/refund cash or securities	A2X members	<b>T+1 (12h00)</b>



<b>Action</b>	<b>Action Description</b>	<b>Completed by</b>	<b>Timing</b>
<b>Client Settlement Instruction to CSDP</b>	Clients instruction to the CSDP	Client	<b>T+1 (12h00)</b>
<b>Client rejection to broker</b>	Clients rejection of the Contract Note to the member	Client	<b>T+1 (18h00)</b>
<b>Deemed Affirmation Client</b>	If client does not reject the Contract Note it is deemed to be valid	Client	<b>T+1 (18h00)</b>
<b>Broker re-allocation</b>	Where the client rejects the Contract Note the member has to fix details and resend the corrected contract note to the client	A2X members	<b>T+1 (18h00)</b>
<b>Client Settlement Instruction on Reallocation</b>	Clients instruction to the CSDP	Client	<b>T+1 (18h00)</b>
<b>Proprietary Nets</b>	Aggregation of deals for Proprietary generation of nets	A2X members	<b>T+1 (EOD)</b>
<b>CSDP commitment</b>	CSDPs commit to settlement orders from receipt of the settlement alleggements until Principal Assumption. Note – A2X systems will accept commits until 16h00 on T+2. Strate’s directives states commits must occur by 15h00 on T+2	CSDPs	<b>Real-time T to 16h00 on T+2</b>



<b>Action</b>	<b>Action Description</b>	<b>Completed by</b>	<b>Timing</b>
<b>Non-controlled client breach</b>	Where the client has not placed their CSDP in a position to commit	Client	<b>T+2 (12h00)</b>
<b>Principal Assumption</b>	Non-controlled client's settlements are reversed back to the executing A2X member	A2X members	<b>T+2 (16h00)</b>
<b>Broker borrowing on Principal Assumption</b>	Member borrows shares – in the case of a sale – to ensure settlement takes place	A2X members	<b>T+2 (16h00 to 18h00)</b>
<b>CSDP Commit</b>	CSDP commits to Principal Assumption	CSDP	<b>T+2 (16h00 to 18h00)</b>
<b>Settlement Committee SLB</b>	Where the member can't borrow – A2X Settlement Committee steps in as lender of last resort	A2X Settlement Committee	<b>T+3 (08h00 to 10h00)</b>



<b>Action</b>	<b>Action Description</b>	<b>Completed by</b>	<b>Timing</b>
<b>Failed Trade Procedures</b>  <i>These procedures could include:</i> <ul style="list-style-type: none"><li>- Rolling of Settlement</li><li>- Failed Trade with a Retransaction</li></ul> <i>Failed Trade with Compensation</i>	Where A2X Settlement Committee cannot borrow the securities	A2X Settlement Committee	<b>T+3 (10h00 to 12h00)</b>
<b>Settlement</b>			<b>T+3</b>